

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Energy
Sent: Fri 2/23/2018 3:10:48 PM
Subject: POLITICO's Morning Energy: Judge calls delay of methane rule 'untethered by evidence' — A packed CPAC for energy — Watchdog flags Zinke-NRA meeting

By Kelsey Tamborrino | 02/23/2018 10:00 AM EDT

With help from Alex Guillén, Emily Holden and Anthony Adragna

INTERIOR DELAY OF METHANE RULE 'UNTETHERED TO EVIDENCE,' JUDGE

SAYS: A federal judge late last night blocked the Interior Department's delay of key requirements under the methane waste rule, reinstating at least for now a rule the Trump administration is in the midst of repealing. In a fiery order, Judge William Orrick of the U.S. District Court for Northern California said that Interior's delay is "untethered to evidence" that would support postponing the original methane regulation. He also said the challengers - California, New Mexico and environmental groups - have shown "irreparable injury caused by the waste of publicly owned natural gas, increased air pollution and associated health impacts, and exacerbated climate impacts," and are likely to win the entire case.

In a 29-page injunction, Orrick, an Obama appointee, rejects the Trump administration's arguments for delaying the rule. Interior "fails to point to any factual support underlying" its new concerns, Orrick wrote. He also slammed key parts of Interior's regulatory analysis, especially what he said was an attempt to inflate the delay's climate benefits when they are likely negative. Plus, he added, Interior violated notice-and-comment requirements because "Secretary Zinke refused to consider comments regarding the substance or merits of the" original methane waste rule.

Sound familiar? This is the second time the oil and gas industry has faced whiplash regulatory confusion amidst the Trump administration's efforts to halt Obama-era environmental regulations as quickly as possible. EPA last summer stayed its own methane rule covering new oil and gas wells, but after a weeks-long tug of war with the D.C. Circuit, the rule was reinstated. EPA is now considering phasing in certain requirements rather than outright staying the rule.

A CPAC-KED HOUSE: All three energy principals are on today's schedule at the Conservative Political Action Conference in National Harbor. A morning conversation with Energy Secretary Rick Perry and Interior Secretary Ryan Zinke featured plenty of boasting about U.S. energy production and the Trump administration's efforts to roll back regulations. But they offered little in the way of policy specifics - and no mention of the court's setback on the methane rule.

Granted a primetime spot on the agenda, EPA Administrator Scott Pruitt will address the confab's Ronald Reagan dinner and dessert reception alongside Fox News' Judge Jeanine Pirro. Pruitt is no stranger to the event, having appeared last year just days after he was confirmed to EPA. Warmly embraced by the conference, Pruitt vowed last year that he would repeal various Obama administration rules like the Clean Power Plan and Waters of the U.S. During his address tonight, the administrator plans to highlight the work done at his agency "to ensure regulatory certainty for hardworking Americans," EPA spokeswoman Liz Bowman said. "In one year,

Administrator Pruitt spearheaded 22 de-regulatory actions that saved the American people more than \$1 billion in regulatory costs," she added.

If you go: Zinke and Perry's session is already over, but Pruitt's at 7 p.m. at the Gaylord National Resort and Convention Center. See the full CPAC schedule [here](#) and watch the livestream [here](#).

HAPPY FRIDAY! I'm your host Kelsey Tamborrino, and Bracewell's Frank Maisano was first to identify Calvin Coolidge as holding the title for shortest presidential memoir. "The Autobiography of Calvin Coolidge" clocks in at 247 pages. For today: Franklin Roosevelt was the first president to name a woman to his Cabinet. Who was the woman and what was the Cabinet position? Send your tips, energy gossip and comments to ktamborrino@politico.com, or follow us on Twitter [@kelseytam](#), [@Morning_Energy](#) and [@POLITICOPro](#).

HEADS UP! Zinke will also meet with governors from Nevada, New Mexico, North Dakota and Alaska today, according to Interior.

WATCHDOG FLAGS ZINKE-NRA MEETING: A government watchdog group is waving red flags over Zinke's previous appearance at a Virgin Islands fundraiser, as well as a new speaking engagement backed by the National Rifle Association. The Campaign Legal Center - which boasts former Office of Government Ethics head Walter Shaub Jr. as a senior director - is calling on the FEC to investigate the Virgin Islands appearance, and it plans to request that Interior's inspector general probe what it contends is a "pattern of violations" of ethics regulations, Pro's Ben Lefevre reports. "In his short time in office, Secretary Zinke's boundary-pushing - and, apparently, boundary-crossing - conduct has set a poor ethical example for the department's staff," the Campaign Legal Center wrote in a draft complaint it plans to send to the inspector general Monday.

The complaints from CLC also flagged a previously unreported trip from September when Zinke and two Interior staffers stayed two nights at the Four Seasons Resort in Dallas while the secretary spoke at an conference organized by the NRA. The group previously donated \$4,000 to Zinke's 2016 congressional campaign. According to travel documents, an Interior ethics officer signed off on Zinke and the staffers' spending of \$195 per room per night. During the trip, Zinke spent an hour at an "informal" luncheon with oil industry executives and financial industry members who had contributed heavily to President Donald Trump's presidential campaign, Ben writes. "The lunch, which Interior's [trip schedules](#) show was held to discuss 'sports and conservation,' included Thomas Hicks, a Texas oilman who contributed \$1,500 to Zinke's congressional races and at least \$8,100 to Trump's presidential campaign, according to FEC data." Read [more](#).

REPORTS: TRUMP SCHEDULES BIOFUELS MEETINGS: The president has called two summits with Cabinet members and senators on potential changes to biofuels policy, Bloomberg and Reuters reported last night, citing sources familiar with the matter. The first meeting is set for today with Pruitt and Agriculture Secretary Sonny Perdue, Bloomberg [reports](#). Another meeting is scheduled for Tuesday and will include senators who have been locking horns over the issue.

Reuters reported the **Tuesday meeting** will include Ted Cruz, Chuck Grassley and Joni Ernst, along with Pruitt, Perdue, and potentially Perry. One source said the meeting would "focus on short-term solutions to help" the Philadelphia Energy Solutions refinery, whose owners recently put the company in Chapter 11 bankruptcy, placing the blame on the Renewable Fuel Standard. Another source told Reuters, the "meeting will consider whether to cap prices for biofuel credits, let higher-ethanol blends be sold all year, and efforts to get speculators out of the market."

EPA NOT SWEATING FLYNN'S RETIREMENT: There's no need to worry about who will take over the deputy EPA administrator job in a couple of months, when the career official retires, an agency spokeswoman told ME. EPA "fully expect[s]" the president's nominee for the job, Andrew Wheeler, to be confirmed before acting deputy Mike Flynn retires on April 3, the spokeswoman said. If Wheeler is not confirmed at that time, it is unclear whether another career official or a political appointee would land temporarily in the post, which oversees day-to-day operations. Though Wheeler appears to have the votes for confirmation, Democrats unhappy with his lobbying history and climate policies likely will force the Senate to spend the maximum time debating his nomination. The Senate is slated to focus mostly on judicial nominations next week.

- **"Mike Flynn is a dedicated and hard-working public servant,"** EPA spokeswoman Liz Bowman said of the 38-year agency veteran. "Anyone who was lucky enough to work with him appreciates his work and his friendship, and we all wish him the best in his retirement."

EPA HEARING DRAWS THREE SPEAKERS: EPA will hold a public hearing today on its proposal to reject a request from Connecticut to require more pollution controls at a coal plant in Pennsylvania - but it might not last very long. The speaker list for the hearing at EPA's D.C. headquarters has only three people on it - one from the American Lung Association and one apiece from the states of Connecticut and Maryland. (The schedule even includes a one-hour lunch break.) Speakers are typically limited to five minutes at these events, at which EPA officials mostly listen. Asked whether EPA would give anyone a little extra time with so many empty seats in the room, a spokesman referred ME to the original announcement's rules and the five-minute limit. It's technically not too late to go, since so many slots appear open; the event begins at 9 a.m. at EPA's headquarters and goes until 6 p.m. or until two hours after the last registered speaker.

ONE FOR THE RECORD: In a lawsuit filed Thursday, two groups alleged EPA is violating federal records laws by avoiding creating and maintaining documents about agency activities. Citizens for Responsibility and Ethics in Washington and Public Employees for Environmental Responsibility cite news reports in their lawsuit that say Pruitt and his political appointees have told EPA staff not to keep written records, including in rewriting regulations. Those records should be maintained under the Federal Records Act, the groups say, and made available within a month by request under the Freedom of Information Act. Pro's Emily Holden reports here.

MURKOWSKI WARNS OF 'FRAGILE' ENERGY GAINS: Even as she took a victory lap before the Alaskan state legislature Thursday for opening ANWR and progress toward building the King Cove road, Senate Energy Chairwoman Lisa Murkowski urged state lawmakers against

complacency in protecting those hard-fought wins. "These gains are substantial - and in many ways they're historic - but ... in many ways they're still fragile," she said. "As much now as we've ever done, we need to be speaking with one voice at the national level." She said there would likely be substantial litigation over ANWR and King Cove, urging lawmakers to take the lawsuits "seriously."

The outlook for King Cove, you ask? "I can't wait to be there to turn the first shovel of dirt on this. We are closer than ever to finally seeing a life-saving road," Murkowski said.

Next steps in the five-year drilling plan: Murkowski pronounced herself "pleased" with Zinke's proposed moves to expand the number of areas potentially open for oil and gas drilling, especially Arctic waters. "Just because Shell is not there right now does not mean there are not opportunities," she said.

FOR YOUR RADAR: Murkowski today hosts Forest Chief Tony Toole in Ketchikan, where she promised to bring up the 2001 roadless rule that limits road construction through national forests for timber harvesting or mining purposes. That rule she said, has limited forestry, mining and renewable energy projects, and she plans to push for "balanced management" in national forests.

GETTING POWER STORAGE'S FULL POTENTIAL: Researchers from the Brattle Group released a study Thursday examining FERC's recent [Order 841](#) that aims to make it easier to add electricity storage to the grid. If states build on the Order 841, the study found, storage market potential could increase to 50,000 MW over the next 10 years, as long as storage costs continue to drop. Read the study [here](#).

THE CLIMATE CONSEQUENCE: Banning new and renewed leases for fossil fuel production on U.S. public lands could cut greenhouse gas emissions by 280 million tons annually by 2030, on par with major Obama administration policies, according to a new [study](#) in Climatic Change. Restricting leases would lead to slightly higher prices and stimulate production elsewhere, the study by the Stockholm Environment Institute found.

THE ID OF ISDS: Ahead of upcoming meetings to discuss NAFTA's investment chapter, Pro's Adam Behsudi reports, there is growing sentiment among countries involved in the talks that the investor-state dispute settlement - which allows companies to recover hundreds of millions of dollars in damages - could be dropped from the revised trade pact. According to an official report seen by POLITICO, Canada presented a "conceptual proposal of possible landing zones," which included eliminating the ISDS, during the latest round of talks in Montreal.

Green groups have previously called out the ISDS as an under-the-radar opening where fossil fuel companies might try to press for increased access for drilling. Meanwhile, business groups like the U.S. Chamber of Commerce and the National Association of Manufacturers have [called on](#) the administration to preserve the controversial provision. The American Petroleum Institute released a statement this week stressing the importance of ISDS for U.S. access to Mexico's newly opened oil and natural gas market. Read the story [here](#).

FOIA WHAT IT'S WORTH: American Oversight, the Asbestos Disease Awareness Organization and the Environmental Working Group have filed a FOIA request for communication between EPA officials and representatives from the American Chemistry Council and the Chlorine Institute, as well as companies including Occidental Chemical, Olin and Chemours. The request comes ahead of a decision on restrictions expected to be related to asbestos under the Toxic Substances Control Act. Read the FOIA [here](#).

STRANDED ON URBAN HEAT ISLAND: A new paper published Thursday from the Massachusetts Institute of Technology focuses on the connection between a city's layout and the phenomenon known as an urban heat island. The research, published in the journal Physical Review Letters, found cities laid out on a precise grid had a far greater buildup of heat compared to their surroundings than those more chaotically arranged. Read [more](#).

MAIL CALL! WHITEHOUSE PRESSES ON MSHA ACTION: Sen. [Sheldon Whitehouse](#) pressed the head of the Mine Safety and Health Administration on whether he plans to move forward on items in Bob Murray's "[action plan](#)" to the administration. Murray's action plan includes three proposals for MSHA, Whitehouse says in a Thursday letter to David Zatezalo. Specifically, Whitehouse asks Zatezalo whether he will act on Murray's request to roll back MSHA's coal dust and pattern of violation rules. Read the letter [here](#).

IN THE SNOW: A report out today from Protect Our Winters links years of low snow cover to fewer jobs in U.S. ski towns. In those years, "reduced participation decreased value added by over \$1 billion and cost 17,400 jobs compared to an average season," according to the report. Read it [here](#).

CLICK IT: New Mexico Sen. [Martin Heinrich](#) launched a "Solar Toolkit" on Thursday. "The toolkit highlights success stories from around the state, and provides reflections from the New Mexicans who have gotten the job done," Heinrich said in a statement. See it [here](#).

QUICK HITS

- Study: New surge in civil lawsuits tied to Deepwater Horizon spill, [The Hill](#).
- From the rubble, utilities ready for the next disaster, [S&P Global](#).
- Unraveling the 'weaponization' of the EPA is top priority for Pruitt, [CBN News](#).
- Former Trump aide calls Paris climate accord 'a good Republican agreement,' [The New York Times](#).
- Spectacular fossils found at Bears Ears - right where Trump removed protections, [The Washington Post](#).

THAT'S ALL FOR ME!

To view online:

<https://www.politico.com/newsletters/morning-energy/2018/02/23/a-packed-cpac-for-energy-113414>

To change your alert settings, please go to <https://secure.politico.com/settings>

This email was sent to jackson.ryan@epa.gov by: POLITICO, LLC 1000 Wilson Blvd.
Arlington, VA, 22209, USA

Please click [here](#) and follow the steps to unsubscribe.
